



February 9, 2007

HOUSE BILL No. 1538

DIGEST OF HB 1538 (Updated February 8, 2007 11:01 am - DI 103)

Citations Affected: IC 4-13; IC 4-13.6; IC 5-10.3; IC 5-10.4; IC 5-16; IC 5-22; IC 6-3; IC 8-10; IC 8-23; IC 10-17; IC 14-8; IC 14-22; IC 20-12; IC 20-20; IC 20-28; IC 25-1; IC 36-1; noncode.

Synopsis: Military and veterans issues. Extends from 18 months to 24 months after the completion of active military service the time by which a member of the teachers' retirement fund (TRF) is required to return to: (1) active teaching; (2) an approved four year teacher training program; or (3) for an employee of a state institution of higher education, baccalaureate or post-baccalaureate education; in order to receive TRF service credit for the member's active military service. Provides for an extension of up to 36 months (rather than 30 months) of the 24 month deadline under certain circumstances. Provides that certain members of the armed forces or law enforcement officers are not required to complete a hunter education course before obtaining a hunting license. Requires the department of administration to collect information on price preferences for certain contracts. Provides a 10% price preference for disabled veteran businesses in certain contracts and public works projects. Sets a goal for contracts with disabled veteran businesses equal to 3% of total expenditures. Grants up to two years of service credit for active duty service in the armed forces of the United States (armed forces) to certain members of the public employees' retirement fund. Excludes all military income, including retirement and survivor's benefits, from state adjusted gross income. Requires the department of transportation to set a goal of awarding to disabled veteran businesses 0.5% of the total dollar amount of contracts funded by federal grants. Establishes employment criteria for
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Effective: January 1, 2007 (retroactive); July 1, 2007; January 1, 2008.

Reske, Noe, Grubb

January 23, 2007, read first time and referred to Committee on Veterans Affairs and Public Safety.
February 8, 2007, amended, reported — Do Pass. Recommended to Committee on Ways and Means.

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employees of the department of veterans' affairs and local service officers. Provides for reimbursement of certain expenses of medal of honor recipients. Provides that a power of attorney for prosecution of veterans' benefits runs to an agency or individual authorized by the department of veterans' affairs. Provides a \$500 payment to certain members of the national guard or armed forces. Provides a \$150,000 death benefit for members of the national guard or the armed forces who die in the line of duty after September 10, 2001. Annually appropriates up to \$350,000 from the state general fund to the military family relief fund. Establishes the veterans' affairs trust fund and board to provide assistance to veterans and their families. Provides that an otherwise eligible person, or the otherwise eligible child of a person who: (1) served on active duty; or (2) suffered a service connected disability or death; may receive a tuition exemption from a state educational institution. Specifies that active duty military personnel stationed in Indiana are eligible for resident tuition rates at state educational institutions. Expands the high school diploma program for eligible veterans to include veterans of the Korean and Vietnam conflicts. Repeals the \$2,000 state income tax deduction for military income. Authorizes various licensing boards to adopt rules to expedite the licensure of individuals whose spouses are stationed on active duty in Indiana. Makes appropriations.

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February 9, 2007

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

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HOUSE BILL No. 1538

A BILL FOR AN ACT to amend the Indiana Code concerning public safety and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 4-13-1-16.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2007]: **Sec. 16.5. (a) As used in this section, "covered**
4 **transaction" means the award of a contract under:**
5 (1) IC 4-13.6-6-2.8;
6 (2) IC 5-16-1-7.5;
7 (3) IC 5-22-15-23.5;
8 (4) IC 8-10-1-7; or
9 (5) IC 8-23-9-4.6.
10 (b) As used in this section, "disabled veteran business" means
11 a business entity that is fifty-one percent (51%) or more owned by
12 one (1) or more veterans with a service connected disability.
13 (c) As used in this section, "service connected disability" means
14 a disability incurred or aggravated in the line of duty in the active
15 military, naval, or air service as described in 38 U.S.C. 101(b).

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(d) As used in this section, "veteran" means a person who:

(1) served in the active military, naval, or air service; and

(2) was discharged or released from service under conditions other than dishonorable.

(e) Beginning September 30, 2008, before October 1 of each year the commissioner shall compile and make available for public inspection and for submission to the legislative council a report for the preceding state fiscal year concerning bids received and contacts awarded to disabled veteran businesses for covered transactions. The report to the legislative council must be in an electronic format under IC 5-14-6.

(f) The report required under subsection (e) must include the following information:

(1) The number of qualified disabled veteran businesses that submitted a bid.

(2) The number of disabled veteran businesses that were awarded a contract.

(3) Whether the goal of awarding at least three percent (3%) of total expenditures under covered transactions was met.

SECTION 2. IC 4-13.6-6-2.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2.8. (a) As used in this section, "disabled veteran business" means a business entity that is fifty-one percent (51%) or more owned by one (1) or more veterans with a service connected disability.

(b) As used in this section, "service connected disability" means a disability incurred or aggravated in the line of duty in the active military, naval, or air service as described in 38 U.S.C. 101(b).

(c) As used in this section, "veteran" means a person who:

(1) served in the active military, naval, or air service; and

(2) was discharged or released from service under conditions other than dishonorable.

(d) When considering bids under this chapter, there is a price preference of ten percent (10%) for a disabled veteran business.

(e) It is the goal to award each year at least three percent (3%) of total expenditures for public works projects to disabled veteran businesses.

(f) The preference under subsection (d) shall be computed in the same manner that a preference is computed under IC 5-22-15.

(g) Beginning July 31, 2008, before August 15 of each year, the division shall file with the commissioner a report concerning the award of contracts to disabled veteran businesses under this

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1 **section.**

2 SECTION 3. IC 5-10.3-7-5 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) A member who:

- 4 (1) enters the United States armed services;
5 (2) leaves ~~his~~ **the member's** contributions in the fund;
6 (3) except as provided in subsection (c), resumes service with ~~his~~
7 **the member's** employer within one hundred twenty (120) days
8 after ~~his~~ **the member's** unconditional discharge; and
9 (4) would be entitled to service credit for military service under
10 the Uniformed Services Employment and Reemployment Rights
11 Act (38 U.S.C. 4301 et seq.) if the member had resumed service
12 with the member's employer within ninety (90) days after
13 discharge;

14 is entitled to service credit for the armed service.

15 (b) A state employee who left employment before January 1, 1946,
16 or an employee of a political subdivision who left employment before
17 the participation date, to enter the United States armed services is
18 entitled to service credit for the armed service if ~~he~~ **the employee:**

- 19 (1) except as provided in subsection (c), resumes service with the
20 employer within one hundred twenty (120) days after ~~his~~ **the**
21 **employee's** unconditional discharge; and
22 (2) would be entitled to service credit for military service under
23 the applicable requirements of federal law in effect at the time of
24 reemployment if the employee had resumed service with the
25 employee's employer within ninety (90) days after discharge.

26 (c) The board shall extend the one hundred twenty (120) day
27 reemployment requirement contained in subsection (a)(3) or (b)(1) if
28 the board determines that an illness, an injury, or a disability related to
29 the member's military service prevented the member from resuming
30 employment within one hundred twenty (120) days after the member's
31 discharge from military service. However, the board may not extend the
32 deadline beyond thirty (30) months after the member's discharge.

33 (d) If a member retires and the board subsequently determines that
34 the member is entitled to additional service credit due to the extension
35 of a deadline under subsection (c), the board shall recompute the
36 member's benefit. However, the additional service credit may be used
37 only in the computation of benefits to be paid after the date of the
38 board's determination, and the member is not entitled to a
39 recomputation of benefits received before the date of the board's
40 determination.

41 (e) Notwithstanding any provision of this section, a member is
42 entitled to service credit and benefits in the amount and to the extent

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required by the Uniformed Services Employment and Reemployment Rights Act (38 U.S.C. 4301 et seq.).

(f) Subject to the provisions of this section, an active member may purchase not more than two (2) years of service credit for the member's service on active duty in the armed services if the member meets the following conditions:

(1) The member has at least one (1) year of credited service in the fund.

(2) The member serves on active duty in the armed services of the United States for at least six (6) months.

(3) The member receives an honorable discharge from the armed services.

(4) Before the member retires, the member makes contributions to the fund as follows:

(A) Contributions that are equal to the product of the following:

(i) The member's salary at the time the member actually makes a contribution for the service credit.

(ii) A rate, determined by the actuary of the fund, that is based on the age of the member at the time the member actually makes a contribution for service credit and computed to result in a contribution amount that approximates the actuarial present value of the benefit attributable to the service credit purchased.

(iii) The number of years of service credit the member intends to purchase.

(B) Contributions for any accrued interest, at a rate determined by the actuary of the fund, for the period from the member's initial membership in the fund to the date payment is made by the member.

However, a member is entitled to purchase service credit under this subsection only to the extent that service credit is not granted for that time under another provision of this section **or section 5.5 of this chapter**. At least ten (10) years of service in Indiana is required before a member may receive a benefit based on service credits purchased under this section. A member who terminates employment before satisfying the eligibility requirements necessary to receive a monthly allowance or receives a monthly allowance for the same service from another tax supported public employee retirement plan other than under the federal Social Security Act may withdraw the purchase amount plus accumulated interest after submitting a properly completed application for a refund to the fund.

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(g) The following apply to the purchase of service credit under subsection (f):

(1) The board may allow a member to make periodic payments of the contributions required for the purchase of the service credit. The board shall determine the length of the period during which the payments must be made.

(2) The board may deny an application for the purchase of service credit if the purchase would exceed the limitations under Section 415 of the Internal Revenue Code.

(3) A member may not claim the service credit for purposes of determining eligibility or computing benefits unless the member has made all payments required for the purchase of the service credit.

SECTION 4. IC 5-10.3-7-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 5.5. (a) This section applies to members who retire after June 30, 2007.**

(b) Subject to IC 5-10.2-2-1.5, a member who meets the following conditions is entitled to receive the service credit described in subsection (c) for the member's active duty service in the United States armed forces:

(1) On the date of the member's retirement, the member has completed at least twenty (20) years as a full-time employee of the state.

(2) The member received an honorable discharge.

(3) The average of the annual compensation (as defined in IC 5-10.2-4-3) for the member does not exceed fifty thousand dollars (\$50,000).

(c) The amount of service credit that a member is entitled to receive under this section is equal to the lesser of:

(1) the period of the member's active duty service; or

(2) two (2) years.

(d) A member is entitled to service credit under this section only to the extent that the same period of active duty service is not used:

(1) to grant service credit under another section of this chapter or under IC 5-10.2-4; or

(2) by another governmental plan for purposes of the member's benefit in the other governmental plan.

(e) This section may not be construed as a restriction or limitation on any of the rights, benefits, and protections that a member is entitled to receive under the federal Uniformed Services Employment and Reemployment Rights Act (38 U.S.C. 4301 et

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seq.).

SECTION 5. IC 5-10.4-4-8, AS AMENDED BY P.L.119-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) This subsection applies to a member who retires before July 1, 1980. A member who had completed four (4) years of approved college teacher education before voluntary or involuntary induction into the military services is entitled to credit for that service as if the member had begun teaching before the induction. A member who serves in military service is considered a teacher and is entitled to the benefits of the fund if before or during the leave of absence the member pays into the fund the member's contributions. Time served by a member in military service for the duration of the hostilities or for the length of active service in the hostilities and the necessary demobilization time after the hostilities is not subject to the one-seventh rule set forth in section 7 of this chapter.

(b) This subsection applies to a member who retires after June 30, 1980. A member who completed four (4) years of approved college teacher education before voluntary or involuntary induction into military service is entitled to credit for the member's active military service as if the member had begun teaching before the induction. A member who serves in military service is considered a teacher and is entitled to the benefits of the fund if the following conditions are met:

- (1) The member has an honorable discharge.
- (2) Except as provided in subsection (e), the member returns to active teaching service not later than ~~eighteen (18)~~ **twenty-four (24)** months after the completion of active military service.
- (3) The member has at least ten (10) years of in-state service credit.

The time served by a member in military service for the duration of the hostilities or for the length of active service in the hostilities and the necessary demobilization time after the hostilities is not subject to the one-seventh rule set forth in section 7 of this chapter. However, not more than six (6) years of military service credit may be granted under this subsection.

(c) This subsection applies to a member who retires after May 1, 1989. A member who had begun but had not completed four (4) years of approved college teacher education before voluntary or involuntary induction into the military services is entitled to service credit in an amount equal to the duration of the member's active military service if the following conditions are met:

- (1) The member has an honorable discharge.
- (2) Except as provided in subsection (e), the member returns to a

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four (4) year approved college teacher training program not later than ~~eighteen (18)~~ **twenty-four (24)** months after the completion of active military service and subsequently completes that program.

(3) The member has at least ten (10) years of in-state service credit.

The time served by a member in active military service for the length of active service in the hostilities and the necessary demobilization is not subject to the one-seventh rule set forth in section 7 of this chapter. However, not more than six (6) years of military service credit may be granted under this subsection.

(d) This subsection applies to a member who retires after May 1, 1991, and who is employed at a state institution of higher education. A member who had begun but had not completed baccalaureate or post-baccalaureate education before voluntary or involuntary induction into military service is entitled to the member's active military service credit for the member's active military service in an amount equal to the duration of the member's military service if the following conditions are met:

(1) The member received an honorable discharge.

(2) Except as provided in subsection (e), the member returns to baccalaureate or post-baccalaureate education not later than ~~eighteen (18)~~ **twenty-four (24)** months after completion of active military service and subsequently completes that education.

(3) The member has at least ten (10) years of in-state service credit.

The time served by a member in active military service for the length of active service in the hostilities and the necessary demobilization is not subject to the one-seventh rule set forth in section 7 of this chapter. However, not more than six (6) years of military service credit may be granted under this subsection.

(e) The board shall extend the ~~eighteen (18)~~ **twenty-four (24)** month deadline contained in subsection (b)(2), (c)(2), or (d)(2) if the board determines that an illness, an injury, or a disability related to the member's military service prevented the member from returning to active teaching service or to a teacher education program not later than ~~eighteen (18)~~ **twenty-four (24)** months after the member's discharge from military service. However, the board may not extend the deadline beyond ~~thirty (30)~~ **thirty-six (36)** months after the member's discharge.

(f) If a member retires and the board subsequently determines that the member is entitled to additional service credit due to the extension of a deadline under subsection (e), the board shall recompute the

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member's benefit. However, the additional service credit may be used only in the computation of benefits to be paid after the date of the board's determination, and the member is not entitled to a recomputation of benefits received before the date of the board's determination.

(g) Notwithstanding any provision of this section, a member is entitled to military service credit and benefits in the amount and to the extent required by the federal Uniformed Services Employment and Reemployment Rights Act (38 U.S.C. 4301 et seq.), including all later amendments.

(h) Subject to this section, an active member may purchase not more than two (2) years of service credit for the member's service on active duty in the armed services if the member meets the following conditions:

(1) The member has at least one (1) year of credited service in the fund.

(2) The member serves on active duty in the armed services of the United States for at least six (6) months.

(3) The member receives an honorable discharge from the armed services.

(4) Before the member retires, the member makes contributions to the fund as follows:

(A) Contributions that are equal to the product of:

(i) the member's salary at the time the member actually makes a contribution for the service credit;

(ii) a rate, determined by the actuary of the fund, that is based on the age of the member at the time the member actually makes a contribution for service credit and computed to result in a contribution amount that approximates the actuarial present value of the benefit attributable to the service credit purchased; and

(iii) the number of years of service credit the member intends to purchase.

(B) Contributions for any accrued interest, at a rate determined by the actuary of the fund, for the period from the member's initial membership in the fund to the date payment is made by the member.

However, a member is entitled to purchase service credit under this subsection only to the extent that service credit is not granted for that time under another provision of this section. At least ten (10) years of service in Indiana is required before a member may receive a benefit based on service credits purchased under this section. A member who

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terminates employment before satisfying the eligibility requirements necessary to receive a monthly allowance or receives a monthly allowance for the same service from another tax supported public employee retirement plan other than under the federal Social Security Act may withdraw the purchase amount plus accumulated interest after submitting a properly completed application for a refund to the fund.

(i) The following apply to the purchase of service credit under subsection (h):

(1) The board may allow a member to make periodic payments of the contributions required for the purchase of the service credit. The board shall determine the length of the period during which the payments must be made.

(2) The board may deny an application for the purchase of service credit if the purchase would exceed the limitations under Section 415 of the Internal Revenue Code.

(3) A member may not claim the service credit for purposes of determining eligibility or computing benefits unless the member has made all payments required for the purchase of the service credit.

(j) This subsection applies to a member who retires after June 30, 2006. A member may not receive credit under this section for service for which the member receives service credit under the terms of a military or another governmental retirement plan.

SECTION 6. IC 5-16-1-7.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 7.5. (a) As used in this section, "disabled veteran business" means a business entity that is fifty-one percent (51%) or more owned by one (1) or more veterans with a service connected disability.**

(b) As used in this section, "service connected disability" means a disability incurred or aggravated in the line of duty in the active military, naval, or air service as described in 38 U.S.C. 101(b).

(c) As used in this section, "veteran" means a person who:

(1) served in the active military, naval, or air service; and

(2) was discharged or released from service under conditions other than dishonorable.

(d) When considering bids under this chapter, there is a price preference of ten percent (10%) for a disabled veteran business.

(e) It is the goal to award each year at least three percent (3%) of total expenditures for public works projects to disabled veteran businesses.

(f) The preference under subsection (d) shall be computed in the

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1 same manner that a preference is computed under IC 5-22-15.

2 (g) Beginning July 31, 2008, before August 15 of each year, the
3 state or a commission created by law that is engaging in a public
4 works project shall file with the Indiana department of
5 administration a report concerning the award of contracts to
6 disabled veteran businesses under this section.

7 SECTION 7. IC 5-22-15-7 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) An offeror may
9 claim one (1) of the following types of preference for which the offeror
10 is eligible:

11 (1) An Indiana business preference under rules adopted under
12 section 20 of this chapter or IC 4-13.6-6-2.5.

13 (2) A preference for supplies as provided by sections 16, 18, 19,
14 **23.5**, and 24 of this chapter.

15 (3) An Indiana small business preference as provided by section
16 23 of this chapter.

17 **(4) A disabled veteran business preference as provided by**
18 **section 23.5 of this chapter.**

19 (b) An offeror may not claim more than one (1) preference as
20 provided by sections 16, 18, 19, **23.5**, and 24 of this chapter for a given
21 supply item.

22 (c) This section does not:

23 (1) apply to; or

24 (2) limit;

25 action of the Indiana department of administration under rules adopted
26 under section 21 of this chapter.

27 SECTION 8. IC 5-22-15-23.5 IS ADDED TO THE INDIANA
28 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
29 [EFFECTIVE JULY 1, 2007]: **Sec. 23.5. (a) As used in this section,**
30 **"disabled veteran business" means a business entity that is**
31 **fifty-one percent (51%) or more owned by one (1) or more veterans**
32 **with a service connected disability.**

33 **(b) As used in this section, "service connected disability" means**
34 **a disability incurred or aggravated in the line of duty in the active**
35 **military, naval, or air service as described in 38 U.S.C. 101(b).**

36 **(c) As used in this section, "veteran" means a person who:**

37 **(1) served in the active military, naval, or air service; and**

38 **(2) was discharged or released from service under conditions**
39 **other than dishonorable.**

40 **(d) There is a price preference of ten percent (10%) for supplies**
41 **purchased from a disabled veteran business.**

42 **(e) It is the goal to award each year at least three percent (3%)**

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1 of total expenditures for purchase of supplies to disabled veteran
2 businesses.

3 (f) Beginning July 31, 2008, before August 15 of each year, a
4 governmental body subject to IC 5-22 making a purchase under
5 this chapter shall file with the Indiana department of
6 administration a report concerning the award of contracts to
7 disabled veteran businesses under this section.

8 SECTION 9. IC 6-3-1-2.5 IS ADDED TO THE INDIANA CODE
9 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
10 JANUARY 1, 2008]: **Sec. 2.5. "Armed forces of the United States"**
11 **has the meaning set forth in IC 5-9-4-3.**

12 SECTION 10. IC 6-3-1-2.7 IS ADDED TO THE INDIANA CODE
13 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
14 JANUARY 1, 2008]: **Sec. 2.7. "National Guard" has the meaning**
15 **set forth in IC 5-9-4-4.**

16 SECTION 11. IC 6-3-1-3.5, AS AMENDED BY P.L.184-2006,
17 SECTION 3, AND AS AMENDED BY P.L.162-2006, SECTION 24,
18 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
19 [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]: **Sec. 3.5.** When
20 used in this article, the term "adjusted gross income" shall mean the
21 following:

22 (a) In the case of all individuals, "adjusted gross income" (as
23 defined in Section 62 of the Internal Revenue Code), modified as
24 follows:

25 (1) Subtract income that is exempt from taxation under this article
26 by the Constitution and statutes of the United States.

27 (2) Add an amount equal to any deduction or deductions allowed
28 or allowable pursuant to Section 62 of the Internal Revenue Code
29 for taxes based on or measured by income and levied at the state
30 level by any state of the United States.

31 (3) Subtract one thousand dollars (\$1,000), or in the case of a
32 joint return filed by a husband and wife, subtract for each spouse
33 one thousand dollars (\$1,000).

34 (4) Subtract one thousand dollars (\$1,000) for:

35 (A) each of the exemptions provided by Section 151(c) of the
36 Internal Revenue Code;

37 (B) each additional amount allowable under Section 63(f) of
38 the Internal Revenue Code; and

39 (C) the spouse of the taxpayer if a separate return is made by
40 the taxpayer and if the spouse, for the calendar year in which
41 the taxable year of the taxpayer begins, has no gross income
42 and is not the dependent of another taxpayer.

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1 (5) Subtract:

2 (A) *for taxable years beginning after December 31, 2004*, one
 3 thousand five hundred dollars (\$1,500) for each of the
 4 exemptions allowed under Section 151(c)(1)(B) of the Internal
 5 Revenue Code *for taxable years beginning after December 31,*
 6 ~~1996~~ *(as effective January 1, 2004)*; and

7 (B) five hundred dollars (\$500) for each additional amount
 8 allowable under Section 63(f)(1) of the Internal Revenue Code
 9 if the adjusted gross income of the taxpayer, or the taxpayer
 10 and the taxpayer's spouse in the case of a joint return, is less
 11 than forty thousand dollars (\$40,000).

12 This amount is in addition to the amount subtracted under
 13 subdivision (4).

14 (6) Subtract an amount equal to the lesser of:

15 (A) that part of the individual's adjusted gross income (as
 16 defined in Section 62 of the Internal Revenue Code) for that
 17 taxable year that is subject to a tax that is imposed by a
 18 political subdivision of another state and that is imposed on or
 19 measured by income; or

20 (B) two thousand dollars (\$2,000).

21 (7) Add an amount equal to the total capital gain portion of a
 22 lump sum distribution (as defined in Section 402(e)(4)(D) of the
 23 Internal Revenue Code) if the lump sum distribution is received
 24 by the individual during the taxable year and if the capital gain
 25 portion of the distribution is taxed in the manner provided in
 26 Section 402 of the Internal Revenue Code.

27 (8) Subtract any amounts included in federal adjusted gross
 28 income under Section 111 of the Internal Revenue Code as a
 29 recovery of items previously deducted as an itemized deduction
 30 from adjusted gross income.

31 (9) Subtract any amounts included in federal adjusted gross
 32 income under the Internal Revenue Code which amounts were
 33 received by the individual as supplemental railroad retirement
 34 annuities under 45 U.S.C. 231 and which are not deductible under
 35 subdivision (1).

36 (10) Add an amount equal to the deduction allowed under Section
 37 221 of the Internal Revenue Code for married couples filing joint
 38 returns if the taxable year began before January 1, 1987.

39 (11) Add an amount equal to the interest excluded from federal
 40 gross income by the individual for the taxable year under Section
 41 128 of the Internal Revenue Code if the taxable year began before
 42 January 1, 1985.

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(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of 2004, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars (\$2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in

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(20) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(21) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(22) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(23) Subtract an amount equal to the amount of the taxpayer's military income that was not excluded from the taxpayer's gross income for federal income tax purposes under Section 112 of the Internal Revenue Code.

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus

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1 depreciation to the property in the year that it was placed in
2 service.

3 (6) Add an amount equal to any deduction allowed under Section
4 172 of the Internal Revenue Code.

5 (7) Add or subtract the amount necessary to make the adjusted
6 gross income of any taxpayer that placed Section 179 property (as
7 defined in Section 179 of the Internal Revenue Code) in service
8 in the current taxable year or in an earlier taxable year equal to
9 the amount of adjusted gross income that would have been
10 computed had an election for federal income tax purposes not
11 been made for the year in which the property was placed in
12 service to take deductions under Section 179 of the Internal
13 Revenue Code in a total amount exceeding twenty-five thousand
14 dollars (\$25,000).

15 (8) Add an amount equal to the amount that a taxpayer claimed as
16 a deduction for domestic production activities for the taxable year
17 under Section 199 of the Internal Revenue Code for federal
18 income tax purposes.

19 *(9) Add to the extent required by IC 6-3-2-20 the amount of*
20 *intangible expenses (as defined in IC 6-3-2-20) and any directly*
21 *related intangible interest expenses (as defined in IC 6-3-2-20)*
22 *for the taxable year that reduced the corporation's taxable*
23 *income (as defined in Section 63 of the Internal Revenue Code)*
24 *for federal income tax purposes.*

25 (c) In the case of life insurance companies (as defined in Section
26 816(a) of the Internal Revenue Code) that are organized under Indiana
27 law, the same as "life insurance company taxable income" (as defined
28 in Section 801 of the Internal Revenue Code), adjusted as follows:

29 (1) Subtract income that is exempt from taxation under this article
30 by the Constitution and statutes of the United States.

31 (2) Add an amount equal to any deduction allowed or allowable
32 under Section 170 of the Internal Revenue Code.

33 (3) Add an amount equal to a deduction allowed or allowable
34 under Section 805 or Section 831(c) of the Internal Revenue Code
35 for taxes based on or measured by income and levied at the state
36 level by any state.

37 (4) Subtract an amount equal to the amount included in the
38 company's taxable income under Section 78 of the Internal
39 Revenue Code.

40 (5) Add or subtract the amount necessary to make the adjusted
41 gross income of any taxpayer that owns property for which bonus
42 depreciation was allowed in the current taxable year or in an

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earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus

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depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to

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the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, assessment date.

STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.

STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars (\$2,500).

STEP FIVE: Determine the sum of the STEP FOUR amount and two thousand five hundred dollars (\$2,500).

SECTION 12. IC 6-3-1-34 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]: **Sec. 34. "Military income" means income, including retirement or survivor's benefits, received during the taxable year by an individual, or the individual's surviving spouse, for the individual's service in the armed forces of the United States or the National Guard.**

SECTION 13. IC 8-10-1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. The commission is authorized and empowered to do the following:

(1) To adopt bylaws for the regulation of its affairs and the conduct of its business.

(2) To adopt an official seal which shall not be the seal of the state of Indiana.

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(3) To maintain a principal office and sub-offices at such place or places within the state as it may designate.

(4) To sue and be sued, and to plead and be impleaded in its own name. However, actions at law against the commission shall be brought in the circuit court of the county in which the principal office of the commission is located or in the circuit court of the county in which the cause of action arose, if the county is located within the state. All summonses and legal notices of every kind shall be served on the commission by leaving a copy thereof at the principal office of the commission with the person in charge thereof or with the secretary of the commission. However, no such action shall be deemed commenced until a copy of the summons and complaint, cross complaint, petition, bill, or pleading is served upon the attorney general of Indiana.

(5) To acquire, lease, construct, maintain, repair, police, and operate a port or project as provided in this chapter, and to establish rules and regulations for the use of the port or project, and other property subject to the jurisdiction and control of the commission.

(6) To issue both taxable and tax exempt revenue bonds of the state, payable solely from revenues, as herein provided, for the purpose of paying all or any part of the cost of a port or project.

(7) To acquire, lease, and operate tug boats, locomotives, and any and every kind of motive power and conveyances or appliances necessary or proper to carry passengers, goods, wares, merchandise, or articles of commerce in, on, or around the port or project.

(8) To fix and revise from time to time and to collect fees, rentals, tolls, and other charges for the use of any port or project.

(9) To acquire, obtain option on, hold, and dispose of real and personal property in the exercise of its powers and the performance of its duties under this chapter.

(10) To designate the location and establish, limit, and control points of ingress to and egress from a port or project.

(11) To lease to others for development or operation such portions of any port or project, on such terms and conditions as the commission shall deem advisable.

(12) To make and enter into all contracts, undertakings, and agreements necessary or incidental to the performance of its duties and the execution of its powers under this chapter. When the cost of any such contract for construction, or for the purchase of equipment, materials, or supplies, involves an expenditure of

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more than twenty-five thousand dollars (\$25,000), the commission shall make a written contract with the lowest and best bidder after advertisement for not less than two (2) consecutive weeks in a newspaper of general circulation in the county where the construction will occur and in such other publications as the commission shall determine. The notice shall state the general character of the work and the general character of the materials to be furnished, the place where plans and specifications therefor may be examined, and the time and place of receiving bids. Each bid shall contain the full name of every person or company interested in it and shall be accompanied by a sufficient bond or certified check on a solvent bank that if the bid is accepted a contract will be entered into and the performance of its proposal secured. The commission may reject any and all bids. A bond with good and sufficient surety as shall be approved by the commission shall be required of all contractors in an amount equal to at least fifty percent (50%) of the contract price conditioned upon the faithful performance of the contract.

(13) To provide that when entering into contracts under this article there is a price preference of ten percent (10%) for disabled veteran businesses (as defined in IC 5-22-15-23.5). The commission shall adopt rules under IC 4-22-2 to compute a preference under this subdivision in the same manner that a preference is computed under IC 5-22-15. Beginning July 31, 2008, before August 15 of each year, the commission shall file with the Indiana department of administration a report concerning the award of contracts to disabled veteran businesses under this section.

~~(13)~~ **(14)** To construct, assemble, or otherwise build, own, lease, operate, manage, or otherwise control any project throughout Indiana for the purpose of promoting economic growth and development throughout Indiana, retaining existing employment within Indiana, and attracting new employment opportunities within Indiana.

~~(14)~~ **(15)** To employ an executive director or manager, consulting engineers, superintendents, and such other engineers, construction and accounting experts, attorneys, and other employees and agents as may be necessary in its judgment, and to fix their compensation, but no compensation of any employee of the commission shall exceed the compensation of the highest paid officer or employee of the state.

~~(15)~~ **(16)** To receive and accept from any federal agency grants

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for or in aid of the construction of any port or project, and to receive and accept aid or contributions from any source of either money, property, labor, or other things of value, to be held, used, and applied only for the purposes for which such grants and contributions may be made.

~~(+6)~~ (17) To provide coverage for its employees under the provisions of IC 22-3-2 through IC 22-3-6, and IC 22-4.

~~(+7)~~ (18) To do all acts and things necessary or proper to carry out the powers expressly granted in this article.

~~(+8)~~ (19) To hold, use, administer, and expend such sum or sums as may herein or hereafter be appropriated or transferred to the commission.

SECTION 14. IC 8-23-3-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 5.5. (a) As used in this section, "disabled veteran business" means a business entity that is fifty-one percent (51%) or more owned by one (1) or more veterans with a service connected disability.**

(b) As used in this section, "service connected disability" means a disability incurred or aggravated in the line of duty in the active military, naval, or air service as described in 38 U.S.C. 101(b).

(c) As used in this section, "veteran" means a person who served in the active military, naval, or air service and was discharged or released from service under conditions other than dishonorable.

(d) When awarding a grant of federal funds under section 1 of this chapter, the department shall set a goal that at least one-half of one percent (0.5%) of the total dollar amount of contracts and subcontracts entered into by an agency receiving the grant be awarded to disabled veteran businesses.

(e) The department shall monitor all grants entered into with federal funds under section 1 of this chapter to ensure that the goal set in subsection (d) is met whenever possible.

SECTION 15. IC 8-23-9-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. Except as provided in sections 4, ~~and~~ 4.5, ~~and~~ 4.6 of this chapter, the commissioner shall let the contract for the construction, improvement, or maintenance of the road to the lowest and best bidder. The determination of the lowest and best bidder must include any requirement imposed under section 13 of this chapter. The lowest and best bid may not be for a greater sum than the estimated cost of the project.

SECTION 16. IC 8-23-9-4.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

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1, 2007]: **Sec. 4.6. (a) As used in this section, "disabled veteran business" means a business entity that is fifty-one percent (51%) or more owned by one (1) or more veterans with a service connected disability.**

(b) As used in this section, "service connected disability" means a disability incurred or aggravated in the line of duty in the active military, naval, or air service as described in 38 U.S.C. 101(b).

(c) As used in this section, "veteran" means a person who:

(1) served in the active military, naval, or air service; and

(2) was discharged or released from service under conditions other than dishonorable.

(d) There is a price preference of ten percent (10%) for contracts entered into under this chapter for a disabled veteran business.

(e) It is the goal to award each year at least three percent (3%) of total expenditures for purchase of supplies to disabled veteran businesses.

(f) The department shall adopt rules under IC 4-22-2 to compute a preference under this section in the same manner that a preference is computed under IC 5-22-15.

(g) Beginning July 31, 2008, before August 15 of each year, the department shall file with the Indiana department of administration a report concerning the award of contracts to disabled veteran businesses under this section.

SECTION 17. IC 10-17-1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The position of director of veterans' affairs is established. The governor shall appoint the director for a four (4) year term. However, the term of office of the director terminates when the term of office of the governor terminates or when a successor to the director is appointed and qualified. The director must be:

(1) an honorably discharged veteran who has at least six (6) months *active* service in the armed forces of the United States; and

(2) a citizen of Indiana and a resident of Indiana for at least five (5) years immediately preceding the director's appointment.

(b) The director is entitled to reimbursement for necessary traveling and other expenses.

(c) The governor may remove the director if the governor considers the director guilty of misconduct, incapability, or neglect of duty.

(d) The governor shall appoint an assistant director of veterans' affairs. The assistant director is entitled to receive reimbursement for

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necessary traveling and other expenses. The assistant director has the same qualifications as the director of veterans' affairs and shall assist the director in carrying out this chapter.

SECTION 18. IC 10-17-1-6, AS AMENDED BY P.L.58-2006, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The director of veterans' affairs:

(1) is the executive and administrative head of the **Indiana** department of veterans' affairs; and

(2) shall direct and supervise the administrative and technical activities of the department;

subject to the general supervision of the commission.

(b) The duties of the director include the following:

(1) To attend all meetings of the commission and to act as secretary and keep minutes of the commission's proceedings.

(2) To appoint, by and with the consent of the commission, under this chapter and notwithstanding IC 4-15-2, the employees of the department necessary to carry out this chapter and to fix the compensation of the employees. Employees of the department must be:

(A) honorably discharged veterans who have had at least six (6) months service in the armed forces of the United States and who are citizens of the United States and Indiana; or

(B) spouses, surviving spouses, parents, or children of an individual described in clause (A);

An employee must qualify for the job concerned.

(3) To carry out the program for veterans' affairs as directed by the governor and the commission.

(4) To carry on field direction, inspection, and coordination of county and city service officers as provided in this chapter.

(5) To prepare and conduct service officer training schools with the voluntary aid and assistance of the service staffs of the major veterans' organizations.

(6) To maintain an information bulletin service to county and city service officers for the necessary dissemination of material pertaining to all phases of veterans' rehabilitation and service work.

(7) To perform the duties described in IC 10-17-11 for the Indiana state veterans' cemetery.

(8) To perform the duties described in IC 10-17-12 for the military family relief fund.

(9) To establish a program and set guidelines under which a medal of honor awardee may receive compensation when

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attending and participating in official ceremonies.

(c) There is annually appropriated to the Indiana department of veterans' affairs from the state general fund an amount sufficient to cover expenses incurred under subsection (b)(9).

SECTION 19. IC 10-17-1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. ~~The director of veterans' affairs may act as agent of a veteran under~~ (a) A power of attorney authorizing ~~the director to act~~ action on behalf of ~~the a~~ veteran in obtaining a benefit or an advantage provided under Indiana law **must run to an authorized agency or individual recognized by the United States Department of Veterans Affairs.**

(b) A rule contrary to this section is void.

SECTION 20. IC 10-17-1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) A county executive:

(1) shall designate and may employ a county service officer; and

(2) may employ service officer assistants;
to serve the veterans of the county.

(b) The fiscal body of a city may provide for the employment by the mayor of a city service officer and service officer assistants to serve the veterans of the city.

(c) If the remuneration and expenses of a county or city service officer are paid from the funds of the county or city employing the service officer, the service officer shall:

(1) have the same qualifications and be subject to the same rules as ~~other employees~~ **the director, assistant director, and state service officers** of the Indiana department of veterans' affairs; and

(2) serve under the supervision of the director of veterans' affairs.

A service officer assistant must have the same qualifications as an employee described in section 11(b) of this chapter. A rule contrary to this subsection is void.

(d) County and city fiscal bodies may appropriate funds necessary for the purposes described in this section.

SECTION 21. IC 10-17-1-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) **The following employees of the Indiana department of veterans' affairs must satisfy the requirements set forth in section 5(a) of this chapter:**

(1) State service officers.

(2) Director of the state approving agency.

(3) Program directors of the state approving agency.

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(4) Director of the Indiana state veterans' cemetery established by IC 10-17-11-4.

(b) An employee of the Indiana department of veterans' affairs not described in subsection (a) must:

(1) satisfy; or

(2) be the spouse, surviving spouse, parent, or child of a person who satisfies;

the requirements set forth in section 5(a) of this chapter.

SECTION 22. IC 10-17-5-5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) A member of the National Guard or the armed forces of the United States who:

(1) is a resident of Indiana; and

(2) serves on active duty for at least one hundred fifty (150) days in a period of three hundred sixty-five (365) days outside Indiana either:

(A) after August 1, 1990, and before December 1, 1995; or

(B) after September 10, 2001;

is entitled to receive five hundred dollars (\$500) at the end of the applicable period of service described in subdivision (2) to assist in covering expenses incurred because of the period of service. A member is entitled to one (1) payment of five hundred dollars (\$500) under this subsection regardless of the length of the member's service.

(b) The Indiana department of veterans' affairs shall adopt rules under IC 4-22-2 to provide for the prompt payment of the money to which a member of the National Guard or the armed forces of the United States is entitled under subsection (a).

(c) There is annually appropriated to the Indiana department of veterans' affairs an amount sufficient from the state general fund to make the payments required under this section.

SECTION 23. IC 10-17-5-6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) If a member of the armed forces of the United States or of an active or reserve component of the National Guard who is a resident of Indiana dies in the line of duty after September 10, 2001, a special death benefit of one hundred fifty thousand dollars (\$150,000) shall be paid in a lump sum from the state general fund to the following relative of the member:

(1) The surviving spouse.

(2) If there is no surviving spouse, the surviving children (to be shared equally).

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(3) If there is not a surviving spouse and there are no surviving children, the parent or parents in equal shares.

(b) The Indiana department of veterans' affairs shall adopt rules under IC 4-22-2 to make the payments under subsection (a).

(c) There is annually appropriated to the Indiana department of veterans' affairs from the state general fund an amount sufficient to make the payments under subsection (a).

SECTION 24. IC 10-17-12-9, AS ADDED BY P.L.58-2006, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) The fund consists of the following:

(1) Appropriations made by the general assembly.

(2) Donations to the fund.

(3) Interest as provided in subsection (b).

(4) Money transferred to the fund from other funds.

(5) Annual supplemental fees collected under IC 9-29-5-38.5.

(6) Money from any other source authorized or appropriated for the fund.

(b) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(c) Money in the fund at the end of a state fiscal year does not revert to the state general fund or to any other fund.

(d) There is annually appropriated to the department for the purposes of this chapter all money in the fund not otherwise appropriated to the department for the purposes of this chapter.

(e) In addition to an appropriation made under subsection (a)(1), there is annually appropriated from the state general fund to the fund an amount equal to the lesser of the following:

(1) The sum of:

(A) donations described in subsection (a)(2); plus

(B) fees described in subsection (a)(5);

deposited during the immediately preceding fiscal year.

(2) Three hundred fifty thousand dollars (\$350,000).

SECTION 25. IC 10-17-13 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 13. Veterans' Affairs Trust Fund

Sec. 1. As used in this chapter, "board" refers to the veterans' affairs trust fund board established by section 4 of this chapter.

Sec. 2. As used in this chapter, "fund" refers to the veterans' affairs trust fund established by section 3 of this chapter.

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1 **Sec. 3. (a) The veterans' affairs trust fund is established to**
 2 **provide assistance to veterans and their families.**

3 **(b) The fund consists of the following:**

- 4 **(1) Appropriations by the general assembly.**
 5 **(2) Donations, gifts, grants, and bequests to the fund.**
 6 **(3) Interest and dividends on assets of the funds.**
 7 **(4) Money transferred to the fund from other funds.**
 8 **(5) Money from any other source deposited in the fund.**

9 **Sec. 4. The veterans affairs' trust fund board is established.**

10 **Sec. 5. The board consists of the following members:**

11 **(1) Seven (7) members appointed by the governor. The**
 12 **governor shall consider the following when making**
 13 **appointments under this subdivision:**

14 **(A) Membership in:**

- 15 **(i) a veterans association established under IC 10-18-6;**
 16 **or**
 17 **(ii) a veterans organization listed in IC 10-18-8-1.**

18 **(B) Service in the armed forces of the United States (as**
 19 **defined in IC 5-9-4-3) or the national guard (as defined in**
 20 **IC 5-9-4-4).**

21 **(C) Experience in education, including higher education,**
 22 **vocational education, or adult education.**

23 **(D) Experience in investment banking or finance.**

24 **The governor shall designate one (1) member appointed under**
 25 **this subdivision to serve as chairperson of the board.**

26 **(2) The director of veterans' affairs appointed under**
 27 **IC 10-17-1-5 or the director's designee.**

28 **(3) The adjutant general of the military department of the**
 29 **state appointed under IC 10-16-2-6 or the adjutant general's**
 30 **designee.**

31 **(4) Four (4) members of the general assembly appointed as**
 32 **follows:**

33 **(A) Two (2) members of the senate, one (1) from each**
 34 **political party, appointed by the president pro tempore of**
 35 **the senate with advice from the minority leader of the**
 36 **senate.**

37 **(B) Two (2) members of the house of representatives, one**
 38 **(1) from each political party, appointed by the speaker of**
 39 **the house of representatives with advice from the minority**
 40 **leader of the house of representatives.**

41 **Members appointed under this subdivision are nonvoting,**
 42 **advisory members and must serve on a standing committee of**

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the senate or house of representatives that has subject matter jurisdiction over military and veterans affairs.

Sec. 6. The board shall meet at least quarterly at the call of the chairperson of the board.

Sec. 7. Five (5) voting members of the board constitute a quorum. The affirmative vote of five (5) members of the board is necessary for the board to take action.

Sec. 8. (a) The term of a board member begins on the later of the following:

(1) The day the term of the member whom the individual is appointed to succeed expires.

(2) The day the member is appointed.

(b) The term of a member expires on the later of the following:

(1) The day a successor is appointed.

(2) July 1 of the year following the year in which the member is appointed.

However, a member serves at the pleasure of the appointing authority.

(c) An appointing authority may reappoint a member for a new term.

(d) An appointing authority shall appoint an individual to fill a vacancy on the board.

Sec. 9. (a) Each member of the board who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is also entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(b) Each member of the board who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(c) Each member of the board who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees established by the legislative council. Per diem, mileage, and travel allowances paid under this subsection shall be

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1 paid from appropriations made to the legislative council or the
2 legislative services agency.

3 **Sec. 10. (a) The board shall manage and develop the fund and**
4 **the assets of the fund.**

5 **(b) The board shall do the following:**

6 **(1) Establish a policy for the investment of the assets of the**
7 **fund. In establishing a policy under this subdivision, the board**
8 **shall:**

9 **(A) consider the immediate needs of veterans and their**
10 **families to the extent those needs are not addressed by the**
11 **military family relief fund established by IC 10-17-12-8;**
12 **and**

13 **(B) have as its long term goal creating a self sustaining**
14 **fund that is not dependent on legislative sources of**
15 **funding.**

16 **(2) Acquire money for the fund through the solicitation of**
17 **private or public donations and other revenue producing**
18 **activities.**

19 **(3) Perform other tasks consistent with prudent management**
20 **and development of the fund.**

21 **Sec. 11. (a) Subject to the investment policy of the board**
22 **established under section 10 of this chapter, the treasurer of state**
23 **shall administer the fund and invest the money in the fund.**

24 **(b) The expenses of administering the fund and this chapter**
25 **shall be paid from the fund.**

26 **(c) The treasurer of state shall invest the money in the fund not**
27 **currently needed to meet the obligations of the fund in the same**
28 **manner as other public trust funds are invested. Interest that**
29 **accrues from these investments shall be deposited in the fund.**

30 **Sec. 12. (a) An appropriation made by the general assembly to**
31 **the fund shall be allotted and allocated at the beginning of the fiscal**
32 **period for which the appropriation is made.**

33 **(b) Money in the fund at the end of a state fiscal year does not**
34 **revert to the state general fund or any other fund.**

35 **(c) Except as provided by an enactment of the general assembly,**
36 **there is annually appropriated to the board all the money in the**
37 **fund for purposes of this chapter.**

38 **Sec. 13. Before October 1 of each year, the board shall report in**
39 **an electronic format under IC 5-14-6 to the general assembly**
40 **concerning the fund.**

41 **Sec. 14. The board shall adopt rules under IC 4-22-2 to do the**
42 **following:**

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(1) Establish programs to be funded by the fund. The board shall consider the following needs of veterans and their families in establishing programs under this subdivision:

(A) Education.

(B) Economic assistance, including grants and loans.

(C) Health and medical care.

(D) Housing and transportation needs.

(E) Employment and workforce issues.

(F) Any other issue the board determines is appropriate.

(2) Determine eligibility and application procedures for programs described in subdivision (1).

(3) Otherwise implement this chapter.

Sec. 15. There is annually appropriated from the state general fund to the board an amount sufficient to carry out the purposes of this chapter.

SECTION 26. IC 14-8-2-148 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 148. "Law enforcement officer" has the following meanings:

(1) For purposes of IC 14-15-8, the meaning set forth in IC 14-15-8-4.

(2) For purposes of IC 14-22-11-5, the meaning set forth in IC 14-22-11-5(a).

~~(2)~~ (3) For purposes of IC 14-22-40, the meaning set forth in IC 14-22-40-5.

SECTION 27. IC 14-22-11-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) As used in this section, "law enforcement officer" means a:

(1) state, city, or town police officer;

(2) sheriff;

(3) town marshal;

(4) conservation officer; or

(5) deputy of any person listed in subdivisions (1) through (4).

(b) Notwithstanding subsection (c), the following individuals are not required to complete a hunter education course to obtain a hunting license:

(1) An active, reserve, or honorably discharged member of the:

(A) United States Army;

(B) United States Navy;

(C) United States Air Force;

(D) United States Coast Guard;

(E) United States Marine Corps;

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(F) Indiana Army National Guard; or

(G) Indiana Air National Guard.

(2) A law enforcement officer who:

(A) is on active duty; or

(B) has honorably retired as a law enforcement officer after at least twenty (20) years of service.

(a) (c) In addition to other requirements for obtaining a hunting license, a person born after December 31, 1986, must have successfully completed the course of instruction in hunter education offered by the department or the department's agent under IC 14-22-35.

(b) (d) If an applicant for a hunting license who is subject to subsection (a) (c) requests that a hunter education course be offered in the applicant's county of residence, the department or the department's agent shall offer a hunting safety course under IC 14-22-35 in the applicant's county of residence not more than ninety-two (92) days after receiving a request.

SECTION 28. IC 20-12-19-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) As used in this section, "active duty" means full-time service in the armed forces of the United States for at least thirty (30) consecutive days.

(a) (b) As used in this section, "state educational institution" has the meaning set forth in IC 20-12-0.5-1.

(c) As used in this section, "period of war" includes the following periods:

- (1) Spanish-American War - April 21, 1898, to July 4, 1902.
- (2) Mexican border period - May 9, 1916, to April 5, 1917.
- (3) World War I - April 6, 1917, to November 11, 1918.
- (4) World War II - December 7, 1941, to December 31, 1946.
- (5) Korean Conflict - June 27, 1950, to January 31, 1955.
- (6) Vietnam era - August 5, 1964, to May 7, 1975.
- (7) Persian Gulf War - August 2, 1990, to a date to be set by presidential proclamation or federal law.
- (8) Afghanistan War - September 11, 2001, to a date to be set by presidential proclamation or federal law.
- (9) Iraq War - March 19, 2003, to a date to be set by presidential proclamation or federal law.
- (10) The period beginning on the date of any declaration of war after June 30, 2007, by the United States Congress and ending on the date prescribed by presidential proclamation or concurrent resolution of the United States Congress.
- (11) Actual combat or duty equally hazardous, regardless of time, or service in any foreign war, insurrection, or

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expedition, for which service is recognized by the award of a service or campaign medal of the United States.

(12) Service on a vessel documented or numbered under the laws of the United States, or titled under the laws of a state, on ocean, coastal, or intercoastal voyages, regardless of time, under conditions of danger to life and property or subjected to hostile action by an enemy government or hostile force.

(b) (d) This section applies to the following persons:

(1) A person who:

- (A) is a pupil at the Soldiers' and Sailors' Children's Home;
- (B) was admitted to the Soldiers' and Sailors' Children's Home because the person was related to a member of the armed forces of the United States;
- (C) is eligible to pay the resident tuition rate at the state educational institution the person will attend as determined by the institution; and
- (D) possesses the requisite academic qualifications.

(2) A person:

(A) whose mother or father:

- (i) served in the armed forces of the United States; on active duty during a period of war;
- (ii) received the Purple Heart decoration or was wounded as a result of enemy action; and
- (iii) received a discharge or separation from the armed forces other than a dishonorable discharge;

(B) who is eligible to pay the resident tuition rate at the state educational institution the person will attend as determined by the institution; and

(C) who possesses the requisite academic qualifications.

(3) A person:

(A) whose mother or father:

- (i) served in the armed forces of the United States during any war or performed duty equally hazardous that was recognized by the award of a service or campaign medal of the United States;
- (ii) (i) suffered a service connected death or disability as determined by the United States Department of Veterans Affairs or the United States Department of Defense; and
- (iii) (ii) received any discharge or separation from the armed forces other than a dishonorable discharge;

(B) who is eligible to pay the resident tuition rate at the state educational institution the person will attend, as determined by

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the institution; and

(C) who possesses the requisite academic qualifications.

~~(c)~~ (e) Beginning with the semester or term that begins in the fall of 2000, a person described in subsection ~~(b)~~ (d) is entitled to enter, remain, and receive instruction in a state educational institution upon the same conditions, qualifications, and regulations prescribed for other applicants for admission to or scholars in the state educational institutions, without the payment of any tuition or mandatory fees for one hundred twenty-four (124) semester credit hours in the state educational institution. For purposes of this chapter, the commission for higher education of the state of Indiana (IC 20-12-0.5-2) shall define mandatory fees in consultation with the state student assistance commission (IC 20-12-21-4).

~~(d)~~ (f) If an applicant:

(1) is permitted to matriculate in the state educational institution;

(2) shall qualify under this chapter; and

(3) shall have earned or been awarded a cash scholarship which is paid or payable to such institution, from whatsoever source; the amount paid shall be applied to the credit of such applicant in the payment of incidental expenses of the applicant's attendance at the institution, and any balance, if the terms of the scholarship permit, shall be returned to such applicant.

~~(e)~~ (g) Determination of eligibility for higher education benefits authorized under this section is vested exclusively in the Indiana department of veterans' affairs. Any applicant for these benefits may make a written request for a determination of eligibility by the Indiana department of veterans' affairs. The director or deputy director of the department shall make a written determination of eligibility in response to each request. In determining the amount of an individual's benefit, the state student assistance commission shall consider other higher education financial assistance as provided in section 2 of this chapter.

~~(f)~~ (h) An appeal from an adverse determination shall be made in writing to the veterans' affairs commission not more than fifteen (15) working days following the applicant's receipt of the determination. A final order shall be made by a simple majority of the veterans' affairs commission not more than fifteen (15) days following receipt of the written appeal.

~~(g)~~ (i) A person who knowingly or intentionally submits a false or misleading application or other document under this section commits a Class A misdemeanor.

SECTION 29. IC 20-12-19.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2007]:

Chapter 19.1. Resident Tuition for Active Duty Military Personnel

Sec. 1. As used in this chapter, "active duty" means full-time service in the armed forces of the United States that exceeds thirty (30) days in a calendar year.

Sec. 2. As used in this chapter, "armed forces of the United States" means any of the following:

- (1) The United States Air Force.
- (2) The United States Army.
- (3) The United States Coast Guard.
- (4) The United States Marine Corps.
- (5) The United States Navy.

Sec. 3. As used in this chapter, "state educational institution" has the meaning set forth in IC 20-12-0.5-1.

Sec. 4. Notwithstanding any other statute, a person who:

- (1) is a nonresident of Indiana;
- (2) serves on active duty;
- (3) is stationed in Indiana; and
- (4) attends a state educational institution;

is eligible to pay the resident tuition rate determined by the state educational institution.

SECTION 30. IC 20-12-19.9 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 19.9. Tuition Exemption for Veterans

Sec. 1. As used in this section, "active duty" means full-time service in the armed forces of the United States for at least thirty (30) consecutive days.

Sec. 2. As used in this section "armed forces of the United States" has the meaning set forth in IC 5-9-4-3.

Sec. 3. As used in this chapter, "commission" refers to the veterans affairs' commission established by IC 10-17-1-3.

Sec. 4. As used in this chapter, "National Guard" has the meaning set forth in IC 5-9-4-4.

Sec. 5. As used in this chapter, "state educational institution" has the meaning set forth in IC 20-12-0.5-1.

Sec. 6. An individual who:

- (1) lists Indiana as the individual's state of residence when the individual enlists in the armed forces of the United States or the National Guard;
- (2) either:

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(A) suffers at any time a service connected disability as determined by the United States Department of Veterans Affairs or the United States Department of Defense; or

(B) serves on active duty:

(i) after September 10, 2001; and

(ii) before a date to be set by presidential proclamation or federal law as the conclusion of the war on terror described in the presidential address to a joint session of Congress on September 20, 2001;

(3) receives any discharge or separation from the armed forces of the United States or the National Guard other than a dishonorable discharge;

(4) is eligible to pay the resident tuition rate (as determined by the institution) at the state educational institution the person will attend; and

(5) possesses the requisite academic qualifications for enrollment in the state educational institution the person will attend;

is exempt from the payment of tuition and mandatory fees for one hundred twenty-four (124) semester credit hours at the state educational institution in which the individual is enrolled or will enroll.

Sec. 7. If an individual who qualifies for or is receiving the tuition exemption under section 6 of this chapter receives financial assistance from:

(1) a program under federal law;

(2) other tuition exemptions under IC 20-12-19 through IC 20-12-19.7;

(3) the National Guard tuition supplement program under IC 20-12-74; or

(4) any other source, including private sources;

that is specifically designated for tuition and mandatory fees at the state educational institution, the state educational institution shall deduct the amount of the financial assistance specifically designated for tuition and mandatory fees from the amount of the individual's tuition exemption under section 6 of this chapter.

Sec. 8. If an individual who qualifies for or is receiving the tuition exemption under section 6 of this chapter earns or is awarded a cash scholarship from any source that is paid or payable to the state educational institution in which the individual is enrolled or will enroll, the state educational institution shall credit the amount of the cash scholarship to the individual for the

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1 payment of incidental expenses incurred by the individual in
 2 attending the state educational institution, with the balance, if any,
 3 of the award, if the terms of the scholarship permit, paid to the
 4 individual.

5 **Sec. 9. (a) The commission shall determine whether an**
 6 **individual is eligible for the tuition exemption under section 6 of**
 7 **this chapter.**

8 **(b) An applicant for the tuition exemption shall make a written**
 9 **request to the commission for a determination of the individual's**
 10 **eligibility.**

11 **(c) The commission shall make a written determination of an**
 12 **applicant's eligibility in response to a request under subsection (b).**

13 **(d) An applicant may appeal in writing an adverse**
 14 **determination under subsection (c) not more than fifteen (15)**
 15 **business days after the date the applicant receives the**
 16 **determination.**

17 **(e) The commission shall issue a final order not more than**
 18 **fifteen (15) business days after the commission receives a written**
 19 **appeal under subsection (d).**

20 **Sec. 10. A person who knowingly or intentionally submits a false**
 21 **or misleading application or other document under this section**
 22 **commits a Class A misdemeanor.**

23 **Sec. 11. There is annually appropriated from the state general**
 24 **fund to the commission an amount sufficient to carry out the**
 25 **purposes of this chapter.**

26 **SECTION 31. IC 20-20-7-3, AS ADDED BY P.L.1-2005,**
 27 **SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**
 28 **JULY 1, 2007]: Sec. 3. As used in this chapter, "eligible veteran" refers**
 29 **to an individual who has the following qualifications:**

30 **(1) Served as a member of the armed forces of the United States**
 31 **at any time during at least one (1) of the following periods:**

32 **(A) Beginning April 6, 1917, and ending November 11, 1918**
 33 **(World War I).**

34 **(B) Beginning December 7, 1941, and ending December 31,**
 35 **1946 (World War II).**

36 **(C) Beginning June 27, 1950, and ending January 31, 1955**
 37 **(Korean Conflict).**

38 **(D) Beginning August 5, 1964, and ending May 7, 1975**
 39 **(Vietnam Conflict).**

40 **(2) Before the military service described in subdivision (1):**

41 **(A) attended a public or nonpublic high school in Indiana; and**

42 **(B) was a student in good standing at the high school**

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1 described in clause (A), to the satisfaction of the **Indiana**
 2 department of veterans' affairs.

3 (3) Did not graduate or receive a diploma because of leaving the
 4 high school described in subdivision (2) for the military service
 5 described in subdivision (1).

6 (4) Was honorably discharged from the armed forces of the
 7 United States.

8 SECTION 32. IC 20-28-2-6, AS ADDED BY P.L.246-2005,
 9 SECTION 142, IS AMENDED TO READ AS FOLLOWS
 10 [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) Subject to subsection (c) and
 11 in addition to the powers and duties set forth in IC 20-20-22 or this
 12 article, the advisory board may adopt rules under IC 4-22-2 to do the
 13 following:

14 (1) Set standards for teacher licensing and for the administration
 15 of a professional licensing and certification process by the
 16 department.

17 (2) Approve or disapprove teacher preparation programs.

18 (3) Set fees to be charged in connection with teacher licensing.

19 (4) Suspend, revoke, or reinstate teacher licenses.

20 (5) Enter into agreements with other states to acquire reciprocal
 21 approval of teacher preparation programs.

22 (6) Set standards for teacher licensing concerning new subjects of
 23 study.

24 (7) Evaluate work experience and military service concerning
 25 higher education and experience equivalency.

26 (8) Perform any other action that:

27 (A) relates to the improvement of instruction in the public
 28 schools through teacher education and professional
 29 development through continuing education; and

30 (B) attracts qualified candidates for teacher education from
 31 among the high school graduates of Indiana.

32 (9) Set standards for endorsement of school psychologists as
 33 independent practice school psychologists under IC 20-28-12.

34 (b) Notwithstanding subsection (a)(1), an individual is entitled to
 35 one (1) year of occupational experience for purposes of obtaining an
 36 occupational specialist certificate under this article for each year the
 37 individual holds a license under IC 25-8-6.

38 (c) Before publishing notice of the intent to adopt a rule under
 39 IC 4-22-2, the advisory board must submit the proposed rule to the
 40 state superintendent for approval. If the state superintendent approves
 41 the rule, the advisory board may publish notice of the intent to adopt
 42 the rule. If the state superintendent does not approve the rule, the

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advisory board may not publish notice of the intent to adopt the rule.

(d) The advisory board may adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to establish procedures to expedite the issuance, renewal, or reinstatement under this article of a license or certificate of a person whose spouse serves on active duty (as defined in IC 25-1-12-2) and is assigned to a duty station in Indiana. Before publishing notice of the intent to adopt a permanent rule under IC 4-22-2, the advisory board must comply with subsection (c).

SECTION 33. IC 25-1-9-20 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 20. The board may adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to establish procedures to expedite the issuance or renewal of a:**

- (1) license;
- (2) certificate;
- (3) registration; or
- (4) permit;

of a person whose spouse serves on active duty (as defined in IC 25-1-12-2) and is assigned to a duty station in Indiana.

SECTION 34. IC 25-1-11-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 21. The board may adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to establish procedures to expedite the issuance or renewal of a:**

- (1) license;
- (2) certificate;
- (3) registration; or
- (4) permit;

of a person whose spouse serves on active duty (as defined in IC 25-1-12-2) and is assigned to a duty station in Indiana.

SECTION 35. IC 36-1-12-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 5.5. (a) As used in this section, "disabled veteran business" means a business entity that is fifty-one percent (51%) or more owned by one (1) or more veterans with a service connected disability.**

(b) As used in this section, "service connected disability" means a disability incurred or aggravated in the line of duty in the active military, naval, or air service as described in 38 U.S.C. 101(b).

(c) As used in this section, "veteran" means a person who:

- (1) served in the active military, naval, or air service; and

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(2) was discharged or released from service under conditions other than dishonorable.

(d) There is a price preference of ten percent (10%) for contracts entered into under this chapter for a disabled veteran business.

(e) It is the goal to award each year at least three percent (3%) of total expenditures for purchase of supplies to disabled veteran businesses.

(f) The price preference under this section shall be computed in the same manner that a preference is computed under IC 5-22-15.

SECTION 36. IC 6-3-2-4 IS REPEALED [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)].

SECTION 37. [EFFECTIVE JULY 1, 2007] IC 5-10.4-4-8, as amended by this act, applies to members of the Indiana state teachers' retirement fund who retire after June 30, 2007.

SECTION 38. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)] IC 6-3-1-3.5, as amended by this act, and IC 6-3-2-4, as repealed by this act, apply to taxable years beginning after December 31, 2006.

SECTION 39. [EFFECTIVE JULY 1, 2007] IC 10-17-1-5 and IC 10-17-1-9, both as amended by this act, and IC 10-17-1-11, as added by this act, apply to employees who begin employment with:

(1) the Indiana department of veterans' affairs; or

(2) a county or a city under IC 10-17-1-9, as amended by this act;

as applicable, after June 30, 2007.

SECTION 40. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Veterans Affairs and Public Safety, to which was referred House Bill 1538, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 6, between lines 1 and 2, begin a new paragraph and insert:

"SECTION 5. IC 5-10.4-4-8, AS AMENDED BY P.L.119-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) This subsection applies to a member who retires before July 1, 1980. A member who had completed four (4) years of approved college teacher education before voluntary or involuntary induction into the military services is entitled to credit for that service as if the member had begun teaching before the induction. A member who serves in military service is considered a teacher and is entitled to the benefits of the fund if before or during the leave of absence the member pays into the fund the member's contributions. Time served by a member in military service for the duration of the hostilities or for the length of active service in the hostilities and the necessary demobilization time after the hostilities is not subject to the one-seventh rule set forth in section 7 of this chapter.

(b) This subsection applies to a member who retires after June 30, 1980. A member who completed four (4) years of approved college teacher education before voluntary or involuntary induction into military service is entitled to credit for the member's active military service as if the member had begun teaching before the induction. A member who serves in military service is considered a teacher and is entitled to the benefits of the fund if the following conditions are met:

- (1) The member has an honorable discharge.
- (2) Except as provided in subsection (e), the member returns to active teaching service not later than ~~eighteen (18)~~ **twenty-four (24)** months after the completion of active military service.
- (3) The member has at least ten (10) years of in-state service credit.

The time served by a member in military service for the duration of the hostilities or for the length of active service in the hostilities and the necessary demobilization time after the hostilities is not subject to the one-seventh rule set forth in section 7 of this chapter. However, not more than six (6) years of military service credit may be granted under this subsection.

(c) This subsection applies to a member who retires after May 1, 1989. A member who had begun but had not completed four (4) years of approved college teacher education before voluntary or involuntary

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induction into the military services is entitled to service credit in an amount equal to the duration of the member's active military service if the following conditions are met:

- (1) The member has an honorable discharge.
- (2) Except as provided in subsection (e), the member returns to a four (4) year approved college teacher training program not later than ~~eighteen (18)~~ **twenty-four (24)** months after the completion of active military service and subsequently completes that program.
- (3) The member has at least ten (10) years of in-state service credit.

The time served by a member in active military service for the length of active service in the hostilities and the necessary demobilization is not subject to the one-seventh rule set forth in section 7 of this chapter. However, not more than six (6) years of military service credit may be granted under this subsection.

(d) This subsection applies to a member who retires after May 1, 1991, and who is employed at a state institution of higher education. A member who had begun but had not completed baccalaureate or post-baccalaureate education before voluntary or involuntary induction into military service is entitled to the member's active military service credit for the member's active military service in an amount equal to the duration of the member's military service if the following conditions are met:

- (1) The member received an honorable discharge.
- (2) Except as provided in subsection (e), the member returns to baccalaureate or post-baccalaureate education not later than ~~eighteen (18)~~ **twenty-four (24)** months after completion of active military service and subsequently completes that education.
- (3) The member has at least ten (10) years of in-state service credit.

The time served by a member in active military service for the length of active service in the hostilities and the necessary demobilization is not subject to the one-seventh rule set forth in section 7 of this chapter. However, not more than six (6) years of military service credit may be granted under this subsection.

(e) The board shall extend the ~~eighteen (18)~~ **twenty-four (24)** month deadline contained in subsection (b)(2), (c)(2), or (d)(2) if the board determines that an illness, an injury, or a disability related to the member's military service prevented the member from returning to active teaching service or to a teacher education program not later than ~~eighteen (18)~~ **twenty-four (24)** months after the member's discharge

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from military service. However, the board may not extend the deadline beyond ~~thirty (30)~~ **thirty-six (36)** months after the member's discharge.

(f) If a member retires and the board subsequently determines that the member is entitled to additional service credit due to the extension of a deadline under subsection (e), the board shall recompute the member's benefit. However, the additional service credit may be used only in the computation of benefits to be paid after the date of the board's determination, and the member is not entitled to a recomputation of benefits received before the date of the board's determination.

(g) Notwithstanding any provision of this section, a member is entitled to military service credit and benefits in the amount and to the extent required by the federal Uniformed Services Employment and Reemployment Rights Act (38 U.S.C. 4301 et seq.), including all later amendments.

(h) Subject to this section, an active member may purchase not more than two (2) years of service credit for the member's service on active duty in the armed services if the member meets the following conditions:

- (1) The member has at least one (1) year of credited service in the fund.
- (2) The member serves on active duty in the armed services of the United States for at least six (6) months.
- (3) The member receives an honorable discharge from the armed services.

(4) Before the member retires, the member makes contributions to the fund as follows:

(A) Contributions that are equal to the product of:

- (i) the member's salary at the time the member actually makes a contribution for the service credit;
- (ii) a rate, determined by the actuary of the fund, that is based on the age of the member at the time the member actually makes a contribution for service credit and computed to result in a contribution amount that approximates the actuarial present value of the benefit attributable to the service credit purchased; and
- (iii) the number of years of service credit the member intends to purchase.

(B) Contributions for any accrued interest, at a rate determined by the actuary of the fund, for the period from the member's initial membership in the fund to the date payment is made by the member.

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However, a member is entitled to purchase service credit under this subsection only to the extent that service credit is not granted for that time under another provision of this section. At least ten (10) years of service in Indiana is required before a member may receive a benefit based on service credits purchased under this section. A member who terminates employment before satisfying the eligibility requirements necessary to receive a monthly allowance or receives a monthly allowance for the same service from another tax supported public employee retirement plan other than under the federal Social Security Act may withdraw the purchase amount plus accumulated interest after submitting a properly completed application for a refund to the fund.

(i) The following apply to the purchase of service credit under subsection (h):

(1) The board may allow a member to make periodic payments of the contributions required for the purchase of the service credit. The board shall determine the length of the period during which the payments must be made.

(2) The board may deny an application for the purchase of service credit if the purchase would exceed the limitations under Section 415 of the Internal Revenue Code.

(3) A member may not claim the service credit for purposes of determining eligibility or computing benefits unless the member has made all payments required for the purchase of the service credit.

(j) This subsection applies to a member who retires after June 30, 2006. A member may not receive credit under this section for service for which the member receives service credit under the terms of a military or another governmental retirement plan."

Page 22, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 24. IC 10-17-12-9, AS ADDED BY P.L.58-2006, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) The fund consists of the following:

- (1) Appropriations made by the general assembly.
- (2) Donations to the fund.
- (3) Interest as provided in subsection (b).
- (4) Money transferred to the fund from other funds.
- (5) Annual supplemental fees collected under IC 9-29-5-38.5.
- (6) Money from any other source authorized or appropriated for the fund.

(b) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues

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from these investments shall be deposited in the fund.

(c) Money in the fund at the end of a state fiscal year does not revert to the state general fund or to any other fund.

(d) There is annually appropriated to the department for the purposes of this chapter all money in the fund not otherwise appropriated to the department for the purposes of this chapter.

(e) In addition to an appropriation made under subsection (a)(1), there is annually appropriated from the state general fund to the fund an amount equal to the lesser of the following:

(1) The sum of:

(A) donations described in subsection (a)(2); plus

(B) fees described in subsection (a)(5);

deposited during the immediately preceding fiscal year.

(2) Three hundred fifty thousand dollars (\$350,000)."

Page 26, between lines 8 and 9, begin a new paragraph and insert:
"SECTION 26. IC 14-8-2-148 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 148. "Law enforcement officer" has the following meanings:

(1) For purposes of IC 14-15-8, the meaning set forth in IC 14-15-8-4.

(2) For purposes of IC 14-22-11-5, the meaning set forth in IC 14-22-11-5(a).

~~(2)~~ (3) For purposes of IC 14-22-40, the meaning set forth in IC 14-22-40-5.

SECTION 27. IC 14-22-11-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. **(a) As used in this section, "law enforcement officer" means a:**

(1) state, city, or town police officer;

(2) sheriff;

(3) town marshal;

(4) conservation officer; or

(5) deputy of any person listed in subdivisions (1) through (4).

(b) Notwithstanding subsection (c), the following individuals are not required to complete a hunter education course to obtain a hunting license:

(1) An active, reserve, or honorably discharged member of the:

(A) United States Army;

(B) United States Navy;

(C) United States Air Force;

(D) United States Coast Guard;

(E) United States Marine Corps;

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(F) Indiana Army National Guard; or

(G) Indiana Air National Guard.

(2) A law enforcement officer who:

(A) is on active duty; or

(B) has honorably retired as a law enforcement officer after at least twenty (20) years of service.

~~(a)~~ (c) In addition to other requirements for obtaining a hunting license, a person born after December 31, 1986, must have successfully completed the course of instruction in hunter education offered by the department or the department's agent under IC 14-22-35.

~~(b)~~ (d) If an applicant for a hunting license who is subject to subsection ~~(a)~~ (c) requests that a hunter education course be offered in the applicant's county of residence, the department or the department's agent shall offer a hunting safety course under IC 14-22-35 in the applicant's county of residence not more than ninety-two (92) days after receiving a request."

Page 28, between lines 32 and 33, begin a new paragraph and insert:

"SECTION 29. IC 20-12-19.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 19.1. Resident Tuition for Active Duty Military Personnel

Sec. 1. As used in this chapter, "active duty" means full-time service in the armed forces of the United States that exceeds thirty (30) days in a calendar year.

Sec. 2. As used in this chapter, "armed forces of the United States" means any of the following:

- (1) The United States Air Force.**
- (2) The United States Army.**
- (3) The United States Coast Guard.**
- (4) The United States Marine Corps.**
- (5) The United States Navy.**

Sec. 3. As used in this chapter, "state educational institution" has the meaning set forth in IC 20-12-0.5-1.

Sec. 4. Notwithstanding any other statute, a person who:

- (1) is a nonresident of Indiana;**
- (2) serves on active duty;**
- (3) is stationed in Indiana; and**
- (4) attends a state educational institution;**

is eligible to pay the resident tuition rate determined by the state educational institution."

Page 31, line 11, after "of the" insert "**Indiana**".

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Page 31, between lines 17 and 18, begin a new paragraph and insert:
 "SECTION 32. IC 20-28-2-6, AS ADDED BY P.L.246-2005,
 SECTION 142, IS AMENDED TO READ AS FOLLOWS
 [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) Subject to subsection (c) and
 in addition to the powers and duties set forth in IC 20-20-22 or this
 article, the advisory board may adopt rules under IC 4-22-2 to do the
 following:

- (1) Set standards for teacher licensing and for the administration of a professional licensing and certification process by the department.
- (2) Approve or disapprove teacher preparation programs.
- (3) Set fees to be charged in connection with teacher licensing.
- (4) Suspend, revoke, or reinstate teacher licenses.
- (5) Enter into agreements with other states to acquire reciprocal approval of teacher preparation programs.
- (6) Set standards for teacher licensing concerning new subjects of study.
- (7) Evaluate work experience and military service concerning higher education and experience equivalency.
- (8) Perform any other action that:

(A) relates to the improvement of instruction in the public schools through teacher education and professional development through continuing education; and

(B) attracts qualified candidates for teacher education from among the high school graduates of Indiana.

- (9) Set standards for endorsement of school psychologists as independent practice school psychologists under IC 20-28-12.

(b) Notwithstanding subsection (a)(1), an individual is entitled to one (1) year of occupational experience for purposes of obtaining an occupational specialist certificate under this article for each year the individual holds a license under IC 25-8-6.

(c) Before publishing notice of the intent to adopt a rule under IC 4-22-2, the advisory board must submit the proposed rule to the state superintendent for approval. If the state superintendent approves the rule, the advisory board may publish notice of the intent to adopt the rule. If the state superintendent does not approve the rule, the advisory board may not publish notice of the intent to adopt the rule.

(d) The advisory board may adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to establish procedures to expedite the issuance, renewal, or reinstatement under this article of a license or certificate of a person whose spouse serves on active duty (as defined in IC 25-1-12-2) and is

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assigned to a duty station in Indiana. Before publishing notice of the intent to adopt a permanent rule under IC 4-22-2, the advisory board must comply with subsection (c).

SECTION 33. IC 25-1-9-20 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 20. The board may adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to establish procedures to expedite the issuance or renewal of a:**

- (1) license;
- (2) certificate;
- (3) registration; or
- (4) permit;

of a person whose spouse serves on active duty (as defined in IC 25-1-12-2) and is assigned to a duty station in Indiana.

SECTION 35. IC 25-1-11-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 21. The board may adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to establish procedures to expedite the issuance or renewal of a:**

- (1) license;
- (2) certificate;
- (3) registration; or
- (4) permit;

of a person whose spouse serves on active duty (as defined in IC 25-1-12-2) and is assigned to a duty station in Indiana."

Page 31, between lines 40 and 41, begin a new paragraph and insert:
"SECTION 37. [EFFECTIVE JULY 1, 2007] IC 5-10.4-4-8, as amended by this act, applies to members of the Indiana state teachers' retirement fund who retire after June 30, 2007."

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1538 as introduced.)

TINCHER, Chair

Committee Vote: yeas 7, nays 0.

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